

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**In the matter of:**

**Hall's Mortgage, Inc.**

**Respondent**  
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**Enforcement Case No. 03-2276**

**Case No. 05-453-MB**

**Docket No. 2005-37**

**CONSENT ORDER AND STIPULATION**

**Issued on March 14, 2005  
by Linda A. Watters, Commissioner**

**A. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. At all pertinent times, Hall's Mortgage Inc (Respondent) was licensed with the Office of Financial and Insurance Services (OFIS) under the Mortgage Brokers, Lenders, Servicers Licensing Act (MBLSLA) as a mortgage broker and lender, License number FL-0905.
2. On July 15, 2003 and July 17, 2003 OFIS conducted an investigation of Respondent to determine the extent of its compliance with the MBLSLA and a Stipulation to Entry of Consent Order and Consent Order Requiring Compliance and Payment of Civil Fines accepted and dated by the Commissioner of OFIS on November 27, 2002 ("Consent Order").

**COUNT I**

3. Employees of Respondent hired their own personnel, paid their own leases, used names unrelated to Respondent and were not under Respondent's supervision.
4. Andrea Fizer (Fizer) is the manager of a former branch office of Respondent. Fizer had an operating agreement with Respondent from about December 2002 or January 2003 until June 2003.

5. Prior to the operating agreement with Respondent, Fizer would submit loans to James Whitaker dba JDW Investments (Whitaker) who had an agreement with Respondent. Whitaker would then submit the loans to Respondent commissions to the loan originators he hired.
6. Whitaker failed to pay the lease payment on the Suite he operated from near the end of 2002. Fizer then took over the Suite and signed her agreement with Respondent.
7. Fizer is the President of Expert Lending Group (ELG"). She stated that ELG is only a management group and is not connected to mortgage loan originations.
8. Despite her statement, some forms in Fizer's office were labeled "Hall's Mortgage dba Expert Lending Group".
9. Respondent never visited Fizer's office and only received the closed loan package.
10. Respondent has not established employment relationships with its loan officers and continues to utilize unlicensed, independent mortgage brokers in violation of section 2(1) of the MBLSLA and in violation of paragraph 1 of the Consent order, which is a violation of section 22(a) of the MBLSLA.

## COUNT II

11. Respondent's mortgage files from the year 2000 have been discarded. Respondent states that its landlord discarded the files during renovations to their building.
12. By failing to maintain mortgage loan files for the requisite time, Hall's is in violation of section 21(2) of the MBLSLA and in violation of paragraph 1 of the Consent Order, which is a violation of section 22(a) of the MBLSLA.

### COUNT III

13. Respondent has failed to initiate a compliance training and education program for its officers and loan originators.
14. This violates paragraph 3 of the Consent Order, which is a violation of section 22(a) of the MBLSLA.

### COUNT IV

15. Respondent failed to notify OFIS who its compliance officer is, as required under paragraph 3 of the Consent Order. During the investigation Respondent informed OFIS that Kevin Burrell is the compliance officer.
16. This violates paragraph 3 of the Consent Order, which is a violation of section 22(a) of the MBLSLA.

### COUNT V

17. Respondent failed to have its compliance officer conduct monthly reviews of sample files for closed and rejected loans as required in paragraph 3 of the Consent Order.
18. Mr. Hall, the owner of Respondent, states that he conducts reviews of all files. However Mr. Hall is not the compliance officer and there is no documentation of the compliance audit plan, procedures, or the results of the compliance audits.
19. This is a violation of paragraph 3 of the Consent Order and therefore a violation of section 22(a) of the MBLSLA.

### COUNT VI

20. The Consent Order called for Respondent to file a report and statement regarding a review of all files for credit report and documentation overcharges within the timeframe

required by paragraph 5 of the order. The report was due on December 27, 2002, it was not received until February 24, 2003.

21. Furthermore Respondent failed to reimburse customers identified in the February 24, 2003 report for overcharges.
22. Additionally a sample of 15 mortgage loans was reviewed and it was discovered that 5 of those loans had overcharges for credit reports. The overcharges were not identified in the February 24, 2003 report.
23. This is a violation of paragraph 5 of the Consent Order and therefore a violation of section 22(a) of the MBLSLA.

#### COUNT VII

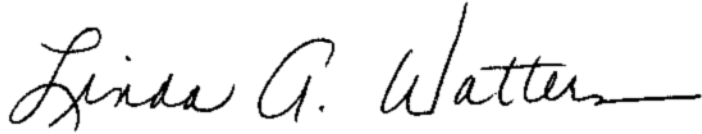
24. Invoice No. C42801, dated October 27, 2002, describing a penalty in the amount of \$625 for Respondent's late renewal of its MBLSLA license in 2002 was not paid within a reasonable time. Payment was not received until July 16, 2003 when Respondent was notified its license for 2003 would not be renewed unless the invoice was paid.
25. This violates section 22(i) of the MBLSLA.

#### **B. ORDER**

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately CEASE and DESIST from operating in such a manner as to violate Sections 2(1), 21(2), and 22(a) of the MBLSLA.

2. All licenses/registrations issued by OFIS or its predecessor to Respondent are hereby REVOKED.

A handwritten signature in cursive script that reads "Linda A. Watters" followed by a horizontal flourish.

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Linda A. Watters, Commissioner